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SUMMARY

GENERAL

Allied use of Berlin air corridors may be in jeopardy (page 3). 1.

SOUTHEAST ASIA

- Burma may be considering termination of American Point IV aid 2. (page 3).
- Report of Sino-Viet Minh pact viewed with suspicion (page 4). 3.

SOUTH ASIA

4. Madame Pandit denies India is continuing efforts to seek Korean peace (page 4).

NEAR EAST - AFRICA

- 5. Three more Italian tankers chartered to ship Iranian oil (page 5).
- British Ambassador sees new barrier to agreement with Egypt on Sudan (page 6).

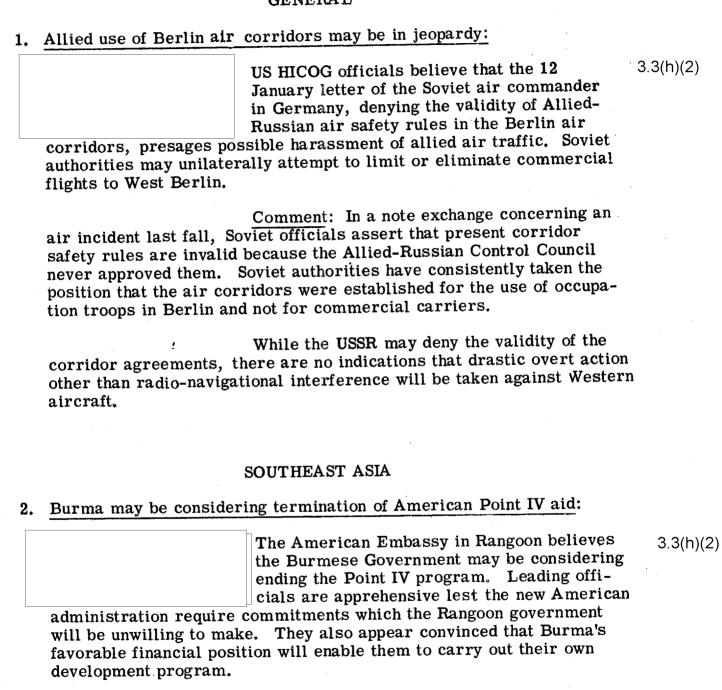
EASTERN EUROPE

7. Yugoslav officials analyze Russian internal events (page 6).

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GENERAL



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Comment: Many members of the dominant Socialist Party resent dependence on foreign aid, and the presence in Rangoon of large numbers of Americans connected with the program has caused widespread irritation.

3.	Report of Sino-Viet Minh pact viewed with suspicion:								
	The British Foreign Office doubts the veracity 3.3(h)(2) of the recently publicized revelation by a defector from the Viet Minh that Communist China has a formal agreement to intervene with								
	troops in the event the Viet Minh is threatened with annihilation. The defector, who claims to have been a financial adviser to Ho Chi Minh, has previously "peddled" similar information to Reuters correspondents and the British Consulate in Hanoi.								
	The glibness of the statements causes the Foreign Office to wonder whether the source may not be a planted Communist agent. It is also possible that the French are encouraging him in an effort to gain support for their Indochina policy.								
	Comment: There has been no confirmation of many previous rumors of a formal agreement for Chinese troop intervention in Indochina should Viet Minh forces face defeat. A pact of this nature, however, is entirely possible and there are indications that French reluctance to undertake sustained offensive operations in Indochina derives partially from fear of its existence.								
	SOUTH ASIA								
4.	Madame Pandit denies India is continuing efforts to seek Korean peace:								
	Madame Pandit told Ambassador Bowles on 3.3(h)(2) 28 January that she, Prime Minister Nehru and others had been greatly upset over Krishna								

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Menon's statement that India would continue its efforts for a truce in Korea and that one side or the other must modify its position. She also said that the Minister of External Affairs had decided three days before Menon's statement that his government would take no further steps for the present and would avoid all possible publicity. The decision was reached because the Chinese have deliberately shown resentment toward India.

Comment: Despite these statements, it is believed that India will continue to press for a Korean truce. The Indian Government has a deep-seated conviction that peace in Korea can be achieved and Peiping's relations with the outside world improved if China is made a member of the United Nations.

NEAR EAST - AFRICA

5.	Three	more	Italian	tankers	chartered	to	ship	Iranian	oil

The Italian company, EPIM, which attempted to break the British oil blockade with the tanker Rosemary, now impounded in Aden, recently chartered two more tankers for a according to a usually reliable shipping source in

trip to Abadan, according to a usually reliable shipping source in contact with the American Embassy in Rome.

Another Italian company, SUPOR, which leased the Miriella, now en route from Abadan to Italy, has chartered another tanker in which to carry Iranian oil.

Comment: These Italian efforts, coming at a time when the Anglo-Iranian oil negotiations are stalemated, may encourage Prime Minister Mossadeq again to believe that he can sell oil without a settlement with AIOC.

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3.3(h)(2)

British Ambassador sees new barrier to agreement with Egypt on Sudan:

The British Foreign Office now considers that the most crucial issue in the discussions with Egypt over the Sudan is the time limit for transferring administrative jobs from

3.3(h)(2)

British officials to Sudanese, according to the British Ambassador in Cairo. He admits that Sudanese leaders will not support the British position and fears that disorders will break out if the negotiations fail on this point.

Comment: Britain refuses to agree that all administrative positions must be transferred to the Sudanese within the three-year period between the promulgation of the new constitution and the Sudanese decision on their political future.

British insistence on this issue at this stage in the negotiations will strengthen Egyptian belief that Britain is not interested in a settlement.

EASTERN EUROPE

7. Yugoslav officials analyze Russian internal events:

In recent conversations with the American Ambassador in New Delhi, Yugoslav Deputy Foreign Minister Bebler and party theoretician Djilas expressed the opinion that Beria

may be in disgrace and that Russia is undergoing crucial internal struggles, probably associated with the choice of Stalin's successor.

Comment: Both Djilas and Bebler, by virtue of their long association with the Russians, are particularly acute observers of Soviet behavior.

3.3(h)(2)



